

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**ENERGY DIVISION**

**RESOLUTION E-3901  
December 2, 2004**

**RESOLUTION**

**Resolution E-3901 approves SBC Pacific Bell's (SBC) request for a deviation from California Public Utilities Code Section 320. This resolution grants the request and authorizes SBC to add approximately four and half miles of aerial optic cables along Highway 35 on existing joint poles in San Mateo County, from the intersection of Highways 92 and 35, extending south along Highway 35 to 13100 Skyline Boulevard. Highway 35 is within a county and state scenic corridor.**

**By letter dated October 20, 2003, from SBC Pacific Bell.**

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**SUMMARY**

**The CPUC has adopted SBC's request within 7 weeks of receiving final cost estimates. CPUC concurs due to the high cost of undergrounding the facilities, local government approval, and minimal visual impact on the environment.**

On May 9, 2003, SBC Pacific Bell (SBC) sent a letter to Assemblyman Joe Simitian's office to request assistance to obtain authorization from the California Public Utilities Commission (CPUC) for deviation from the scenic highway undergrounding requirements of the Public Utilities Code. This letter request was filed by the Energy Division as NON-34. On September 29, 2003, SBC submitted a request to San Mateo County for concurrence with this project. On October 20, 2003, SBC filed a formal letter to CPUC for the deviation. On June 23, 2004, the San Mateo Planning Commission (SMPC) approved SBC's project. On July 9, 2004, SBC informed CPUC about SMPC's approval. On October 14, 2004, SBC submitted complete cost estimates to CPUC.

This resolution approves the request to add aerial fiber optic cables approximately four miles along Highway 35 on existing joint utilities poles in San Mateo County from the intersection of Highways 92 and 35, extending south along Highway 35 to 13100 Skyline Boulevard.

**BACKGROUND**

**The legislature enacted undergrounding policy in 1971.**

California Public Utilities Code Section 320 (P.U. Code Section 320) was enacted in 1971, Chapter 1697, and reads in part as follows:

The legislature hereby declares that it is the policy of this state to achieve, whenever feasible and not inconsistent with sound environmental planning, the undergrounding of all future electric and communication distribution facilities which are proposed to be erected in proximity to any highway designated a state scenic highway pursuant to Article 2.5 (commencing with Section 260) of Chapter 2 of Division 1 of the Streets and Highways Code and which would be visible from such scenic highways if erected above ground. The Commission shall prepare and adopt by December 31, 1972, a statewide plan and schedule for the undergrounding of all such utility distribution facilities in accordance with the aforesaid policy and the rules of the Commission relating to the undergrounding of facilities.

The Commission shall require compliance with the plan upon its adoption.

The Commission is responsible for the administration of Section 320 of the P.U. Code. After hearings conducted in Case 9364, Commission Decision (D) 80864 implemented the State Legislation. D.80864 states that:

In order to facilitate administration, letter requests for deviations will be accepted, reviewed by the Commission staff and, where appropriate, approved by Commission resolution. (74 CPUC 457, D.80864)

D.80864 stipulates that no communications or electric utility shall install overhead distribution facilities "in proximity to" and "visible from" any prescribed corridor on a designated scenic highway in California unless a showing is made before the Commission and a finding made by the Commission that undergrounding would not be feasible or would be inconsistent with sound environmental planning. The Decision also defines "in proximity to" as being within 1,000 feet from each edge of the right-of-way of designated State Scenic Highways.

D.80864 also stipulates that when repairs or replacement of existing overhead facilities in the same location do not significantly alter the visual impact of the Scenic Highway, they should not be considered as new construction and need not be converted to underground.

## **NOTICE**

Publication in the Commission's Daily Calendar on September 5, 2003, and August 24, 2004, provided public notice of SBC's letters dated May 19, 2003, and October 20, 2003.

## **PROTESTS**

The Commission received no protests.

## **DISCUSSION:**

### **Economic feasibility is the determining factor in our recommendation.**

We will evaluate this deviation request considering the nature of the project; local government recommendation; visibility, aesthetics, and environmental impact; and economic feasibility. We will base our recommendation on tangible evidence and analysis of these factors.

### **Nature of the Project**

SBC's request states that existing 100-pair copper cables (1.83" outer diameter) attached to existing poles along Highway 35 have sustained considerable storm related damage such as corrosion, stress, and breakage over the last five years. Meanwhile, the community has grown to a point at which the copper cables approach their maximum capacity and cannot provide current technology to customers. SBC estimated that this project would support telecommunication needs to the community for at least the next ten years.

SBC proposes to place approximately five miles of 24-pair cables, 0.61" in diameter, black in color, along Highway 35 from the intersection of Highways 92 and 35 to 13100 Skyline Boulevard. Four miles (21,865 feet) will be overhead in ducts with 1.25" outside diameter, black in color, and one mile (4,650 feet) will be underground.

SBC plans to begin construction in 2004 and to complete the project in about 3 months.

This addition will be a permanent deviation.

### **Local Government Recommendation**

Since the exemption process requires the Commission to consider the opinion of local government, SBC has requested recommendations from the Department of Fish and Game and the San Mateo Planning Commission. By a letter dated September 19, 2003, the Department of Fish and Game indicated that the project would have no impact on plant or wildlife communities. At a public hearing on June 23, 2004, the San Mateo Planning Commission also approved SBC's request to place both underground and aerial fibers for this project.

### Visibility, Aesthetics, and Environmental Impact

SBC proposed to manage the growth of communities along Highway 35 using fiber optic cables instead of adding larger copper cables. This project involves adding 21,865 feet of 24-pair aerial cables within ducts of 1.25" diameter, black in color along Highway 35.

There are existing electric and communication cables on poles along the aforementioned sections of Highway 35. Overhead facilities would remain visible from the highway. SBC and the County of San Mateo Planning Commission have determined that placing the aerial fiber cables along the highway poses no significant added visual impact to the highway. Photographs and project drawings submitted by SBC showing the proposed additions indicate little adverse impact on visibility and aesthetics of the highway.

SBC will place the termination cabinet in a Fisher Investments' building, so it will not be seen from the highway.

SBC does not expect the added facilities to be significantly more visible to the residences, businesses, and travelers along Highway 35.

This project is exempted from General Order 131D environmental requirements, since the voltage level of the aerial communication facilities is below 50KV, but SBC hired Shaw Environmental Incorporated (SEI) to provide a detailed assessment for the underground portion and SEI found no impact on the environment.

### Economic feasibility

SBC submitted the following cost estimates to the Commission on October 14, 2004.

| <b>21,865 feet of Aerial Cables and 4,650 Feet of Underground Cables</b> |                    |                                    |
|--|--------------------|------------------------------------|
| <b><i>Description</i></b>  | <b><i>Cost</i></b> | <b><i>Comment</i></b>              |
| Trenching and Conduit Placement  | \$279,100          | (Contracted to Outside Firm)       |
| Aerial Innerduct Placement   | \$54,260           | (\$3,000 Material \$50,460 Labor)  |
| Underground Innerduct Placement  | \$7,980            | (\$1,200 Material \$6,780 Labor)   |
| Aerial Fiber Cable Placement   | \$30,024           | (\$16,380 Material \$16,644 Labor) |
| Underground Fiber Placement  | \$16,104           | (\$5,040 Material \$11,064 Labor)  |
| Six (6) Fiber Splices:   | \$14,704           | (\$2,100 Material \$12,604 Labor)  |
| Contract Cost for Flagging:  | \$4,160            |                                    |
| Placement of 4 Splice Boxes:   | \$1,600            |                                    |
| <b>Total</b>   | <b>\$409,332</b>   |                                    |

**26,515 Feet of Underground Cables Only**

| <i>Description</i>              | <i>Cost</i>        | <i>Comment</i>                     |
|---------------------------------|--------------------|------------------------------------|
| Trenching and Conduit Placement | \$1,197,895        | (Contracted to Outside Firm)       |
| Underground Innerduct Placement | \$33,452           | (\$5,180 Material \$28,272 Labor)  |
| Underground Fiber Placement:    | \$68,640           | (\$21,757 Material \$46,884 Labor) |
| Six (6) Fiber Splices:          | \$14,704           | (\$5,040 Material \$11,064 Labor)  |
| Contract Cost for Flagging:     | \$4,160            |                                    |
| <b>Total</b>                    | <b>\$1,324,831</b> |                                    |

SBC's estimated total cost to install 21,865 feet of aerial cables and 4,650 feet of underground cables is \$409,332. The estimated cost of undergrounding the whole project (26,515 feet of cables) is \$1,324,831.

SBC will fund this project. Factors that increase undergrounding costs include extreme elevation changes, rocky terrain, and the inability of SBC to use directional boring along major sections of this project.

The cost ratio is 3.24 to 1. Hence, undergrounding the entire project would substantially increase the cost. This cost disparity renders the underground alternative impractical.

**Summary**

Since the factors discussed above favor the placement of partial overhead cables instead of undergrounding the entire project, the Commission should approve and grant this deviation; but construction work associated with this deviation is granted only through the end of 2005.

**COMMENTS**

This is an uncontested matter in which the Resolution grants the relief requested. Accordingly, pursuant to PU Code Section 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

**FINDINGS**

1. The Commission administers Section 320 of the Public Utilities (PU) Code requiring undergrounding of utilities lines along designated Scenic Highways, and acceptance of letter requests for deviations.
2. The applicant must show that undergrounding would not be economically feasible or would be inconsistent with sound environmental planning.
3. By letter dated October 20, 2003, SBC requested authority for deviation from the

undergrounding requirements of Section 320 of the Public Utilities Code.

4. This project involves adding approximately 21,865 feet of 24-pair aerial fiber optics cables, overhead in tubes of 1.25" diameter, black in color along Highway 35. In addition, there will be 4,650 feet of underground cables for this project.

5. SBC plans to begin construction in 2004 and complete the project in approximately 3 months.

6. This addition will be permanent.

7. There are existing electric and communication cables on poles along this section of Highway 35. Overhead facilities would remain visible from the highway.

8. SBC does not expect that the added facilities will be significantly more visible to the residences, businesses, and travelers along Highway 35 after the completion of this project.

9. The cost to place the entire project (26,515 feet of communication lines) underground at this location would exceed the partial overhead option by more than 3:1.

10. By a letter dated September 19, 2003, the Department of Fish and Game indicated that the project would have no impact to plant or wildlife communities.

11. At a public hearing on June 23, 2004, the San Mateo Planning Commission approved SBC's request to place both underground and aerial fibers for this project.

12. The Commission should approve and grant this deviation; but construction work associated with this deviation is granted only through the end of 2005.

**THEREFORE, IT IS ORDERED THAT:**

1. SBC Pacific Bell's request to add approximately 21,865 feet of aerial cable along Highway 35 is approved. Construction work associated with this deviation is granted only through the end of 2005.
2. This Resolution is effective today.

I hereby certify that the Public Utilities Commission adopted this Resolution at its regular meeting on December 2, 2004. The following Commissioners voting favorably thereon:

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STEVE LARSON  
Executive Director

MICHAEL R. PEEVEY  
PRESIDENT  
CARL W. WOOD  
LORETTA M. LYNCH  
GEOFFREY F. BROWN  
SUSAN P. KENNEDY  
Commissioners